

2017

# Progress Update (2017): Lehigh Valley Physician Hospital Organization.

Lehigh Valley Health Network

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Physician Directed.  
Value Driven.

*Proven Performance in Our Transition to Value-Based Health Care*



Lehigh Valley Physician Hospital Organization  
(LVPHO) / Valley Preferred

is a

PHYSICIAN-LED

organization with

INTEGRATED RESOURCES

working for

PHYSICIAN SUCCESS

in the transition to

VALUE-BASED CARE

For 23 years, the LVPHO/Valley Preferred has been at the vanguard of regional health care as a physician-led force providing guidance and powerful resources to ensure the success of physicians throughout our geographic region.

The LVPHO has never been more important than it is now. The transformation of American health care from a system based on volume to a new value-based health care delivery model is now in high gear. It will only accelerate in the years ahead, and continue to alter the way medical services are provided in our communities. Also accelerating are the pressures these changes are putting on the providers tasked with delivering that care.

**The challenges are growing. Collaboration is the answer.**

For more than 1,300 physicians in our part of Pennsylvania, the way forward is to join together with singular determination to develop workable solutions and overcome provider challenges while improving patient care. And at the same time, being compensated appropriately for professional skills, and sustaining personal satisfaction in the practice of medicine.

As you will learn on the following pages, significant results have been achieved through the teamwork of LVPHO and its valued partners: Lehigh Valley Health Network (LVHN), the Greater Lehigh Valley Independent Practice Association, Inc. (GLVIPA), and Populytics, Inc., the population health management and analytics subsidiary of LVHN (see more on page 7). The talents and tools inherent in this collaboration have brought us well into the realm of sustainable success in value-driven care.

If you are among the many professionals who have contributed to this success, we thank you for your dedication, experience and perseverance. If you are new to the LVPHO/Valley Preferred success story, learn more about our contribution to health care in our community.



Embodying our vision and values since the founding of the LVPHO has been Jack A. Lenhart, MD, who recently retired from his role as Executive Director since 2010; he previously served as LVPHO's Medical Director. Under his leadership, this organization and its innovations have grown in strength, success and significance. It is altogether appropriate that we feature an interview with Dr. Lenhart on page 17.

The baton has been seamlessly passed to Mark A. Wendling, MD, who brings considerable experience and energy to the post of Executive Director. Dr. Wendling served as LVPHO Medical Director for six years and as Medical Director of the LVHN Accountable Care Organization (ACO) for over two years.

Under his leadership, our organization will continue to chart a future of physician success through teamwork and an abiding focus on the immutable mission that has defined our existence since we embarked on this journey nearly a quarter-century ago:

**To ensure high value, satisfaction and positive outcomes in health care at an affordable cost.**

**LVPHO/Valley Preferred Leadership**  
(from left):

**Nicole R. Sully, DO,**  
Associate Medical Director of Quality

**Laura J. Mertz, CBC,** General Manager

**Mark A. Wendling, MD,** Executive Director

**Joseph A. Habig II, MD,** Medical Director



*Thank you all for your continued support.*



From Our Executive Director:

# 5 FACTORS supporting PHYSICIAN SUCCESS in the current health care environment

Physician engagement and quality improvement programs methodically developed by LVPHO/Valley Preferred over the past 23 years are consistently delivering performance results higher than national standards.

In 2015, these programs were essential elements of LVHN's ACO participation effort in the Medicare Shared Savings Program (MSSP) of the Centers for Medicare and Medicaid Services (CMS). A CMS report issued in August 2016 read: *"According to results, over 400 Medicare ACOs generated more than \$466 million total program savings in 2015, accounting for all ACOs experiences. Of these, 125 qualified for shared savings payments by meeting quality performance standards and their savings threshold."*

“I am proud to report that the performance of Lehigh Valley Health Network's ACO was among the 125 ACOs which met CMS quality performance standards and our savings threshold. Additionally, it ranked among the top 10 percent of all ACOs in the nation and was the only one in Pennsylvania to qualify for shared savings payments.”

Several of the statistical performance results contributing to this success are detailed on subsequent pages of this publication. However, the foundation for this accomplishment lies in the many years of dedicated LVPHO teamwork, which has crystallized a success formula to achieve and capitalize upon the goals of the Triple Aim. Also important is the mature playbook that has been developed and shared with member physicians and practices throughout the region to enjoin them in this success.

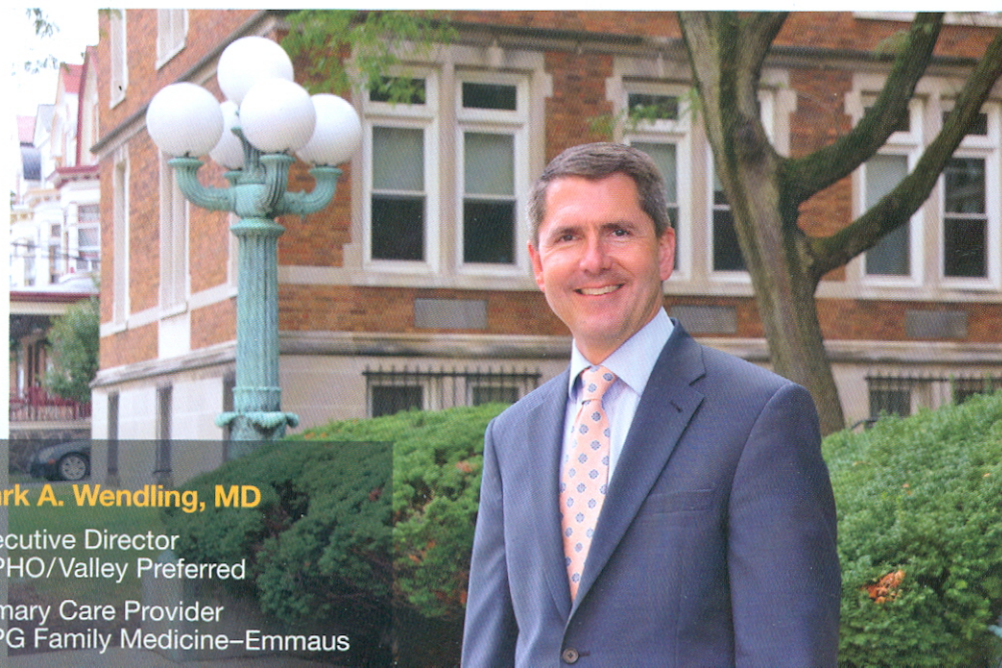
Five fundamental factors supporting LVPHO member physician and practice success include:

## 1 Combining clinical and claims data

Populytics' analytics comprise a combination of clinical and claims data from LVHN's Electronic Medical Record (EMR) platform and other clinical sources, and Populytics' data from CMS claims and commercial payer sources. Throughout the health care industry, you simply cannot get information any more meaningful or relevant than what we now have.

## 2 Community Care Teams

Equipped with Populytics' retrospective and prospective data, and working in concert with primary care and some specialty care practices, our Community Care Teams reach into the lives of high-risk patients to reroute their health care behavior patterns before higher-cost care may be required (see more on page 9). These skilled, multi-disciplined professionals take care management to an entirely new level by working directly with patients and providers. Medicine has traditionally been reactive. Now we are proactively getting the jump on potential problems.



**Mark A. Wendling, MD**

Executive Director  
LVPHO/Valley Preferred

Primary Care Provider  
LVPG Family Medicine—Emmaus



### 3 Streamlined performance measures

*Achieving Clinical Excellence*® (ACE) is a series of physician incentive programs developed by and for LVPHO/Valley Preferred member physicians and their practices. Universally aligned quality measures for our ACE program now come from CMS and many major commercial payers. The majority of our physician audits are electronic, so we get results quickly and can incentivize more directly toward improvement targets that are realistic and achievable. The results speak for themselves:

- In the first six months of 2016, we've logged the best quality performance in the long history of the LVPHO.
- Among LVPHO membership, 82 percent of primary care providers (PCPs) and 79 percent of specialists achieved incentive-level performance.
- LVPHO member physicians are performing well above national standards for both CMS and HEDIS benchmarks.

### 4 Physician-led structure, innovation and engagement

Much of our success stems from the fact that LVPHO/Valley Preferred has always been, and will always be, a physician-led organization. The fact that all of our programs are designed and implemented by our own member physicians is the keystone of our effectiveness. From our boards to our top management and associate medical directors, physicians comprise the vast majority of our leadership.

### 5 Developing effective Population Health Management strategies

The accuracy and depth of data we have on at-risk populations is comprehensive. It enables us to constantly develop and fine-tune strategies to yield positive changes in the health of these populations, and to expand our own empirical knowledge in the process.

“I've seen exponential growth in the population health knowledge of my colleagues within the past two years alone. All of this infrastructure and competency is readily scalable so we are well-positioned for long-term success in the new value-based reimbursement environment. We are now achieving amazing things together and I am confident that we will continue to do so well into the future. It's all very energizing and this is still just the beginning.”



**Brian A. Nester, DO, MS,  
MBA, CPE, FACOEP**

President and CEO  
Lehigh Valley Health Network

“The LVPHO has partnered magnificently with Lehigh Valley Health Network to build an infrastructure that lets us improve care and value across a large population.

“We can now provide more effective patient care prospectively. Through Populytics' risk stratification capabilities, we are actually looking ahead to pinpoint individuals who need additional care and creating health strategies to proactively deliver care sooner through our aligned physician practices and Community Care Teams.

“Lehigh Valley Health Network now has a provider organization of more than 1,400 physicians and seven hospital campuses over our region of Pennsylvania — all on the same analytically based wavelength, all focused on achieving the goals of the Triple Aim.

“Together, we've been working toward this point since the Affordable Care Act was signed in 2010. Now, we are there, thanks in large part to the leadership of Dr. Jack Lenhart, his team and the collaborative work of the LVPHO/Valley Preferred.”



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organization

**Debbie Salas-Lopez, MD,  
MPH, FACP**

Associate Chief Medical Officer  
Lehigh Valley Health Network  
Member, Board of Trustees  
LVPHO/Valley Preferred



## Strength in Numbers

“As an independent physician for more than 30 years, I’ve lived with the accelerating complexities of practicing medicine. It’s difficult for independent practitioners to keep up with, and it’s only going to get more complicated as our profession ramps into the new value-based care requirements set forth by CMS.

“As a member of the LVPHO, no independent physician has to go it alone. We’re here to inform and assist member physicians and provide every opportunity available to meet the challenges of practicing medicine in this ever-changing environment. We do this through a number of very successful clinical, educational and quality improvement incentive programs. And by providing the strength in numbers that all physicians need to succeed in practice today.

“The LVPHO provides ongoing information on what changes are coming, access to the infrastructure needed to meet the new requirements in a timely, cost-efficient fashion and compensates appropriately for our time and talent. Membership provides all the benefits and support of a large association, while still remaining independent. It also creates more time for the main purpose of our profession — to take better care of patients.”



**Joseph A. Habig II, MD**

Medical Director  
LVPHO/Valley Preferred  
Primary Care Provider  
Medical Associates of the  
Lehigh Valley

*Photo by Amico Studios*

## Population Health Leadership Invaluable for Independent Physicians

“We are proceeding in a very thoughtful, deliberate manner by engaging providers while keeping patients and consumers in the center. The payer landscape is changing and the investments we have made to become the regional and national leaders in population health management are proving invaluable to all of our partners, particularly independent physicians.

“In the past year, through our population health infrastructure, we have pinpointed and provided proactive care to 17,400 high-risk and rising-risk patients. Our Community Care Teams contact patients within 48 hours of discharge to ensure full understanding of their care needs and proper medications. We secure an appointment with their PCP within seven to 14 days and follow up to make sure they were seen. High-risk patients go on our registry for outreach every 30 days and we connect them with care management, behavioral health, medicine or social services.

“This is population health management at work. It’s how we are achieving the goals of the Triple Aim and one example of the deep resources we offer to ensure the success of independent physicians.”

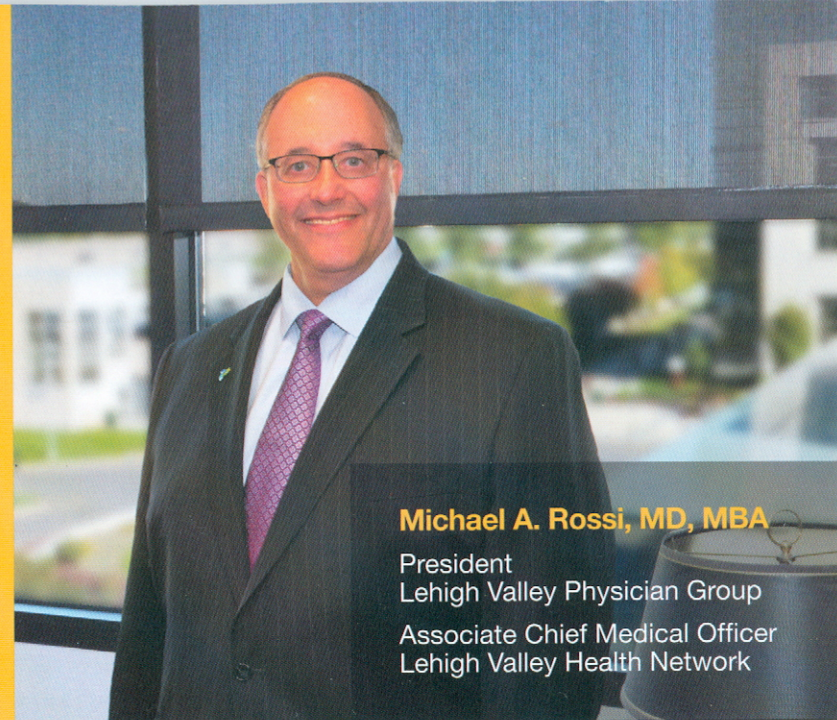


## The Quadruple Aim: Caring for Patients Requires Caring for Providers

"We are well positioned to move into the world of value-based risk. Our organization has spent the better part of the past decade under Dr. Nester's guidance developing the tools, competencies and infrastructure to win in the new world of 'pay for value.'"

"And we are winning. Nationally, only one in five CMS Medicare Shared Savings Program Accountable Care Organizations achieved savings in their first year. Not only did our LVHN ACO achieve shared savings in its first year, but our ACO was a top decile performer in both outcome and size, and scale matters when you take on risk."

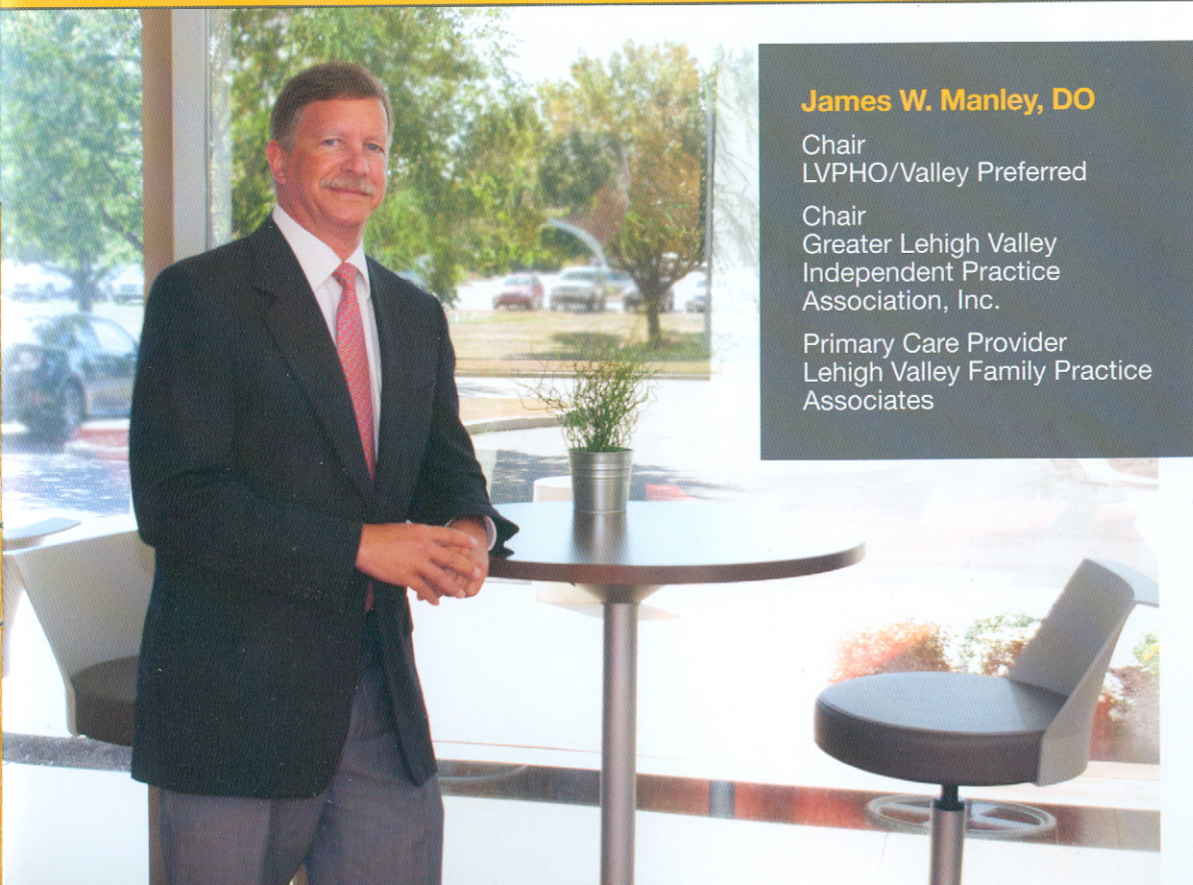
"But performance starts with people. Professional development of providers and staff is a leading priority for us, and we are investing accordingly. This includes special attention to The Quadruple Aim, a fourth dimension to the Triple Aim, which conveys 'practice joy.' We believe that care of the patient requires care of the provider. Keeping the human joy in practicing medicine is a key component of our overall population health strategy and essential to sustaining our success."



**Michael A. Rossi, MD, MBA**

President  
Lehigh Valley Physician Group

Associate Chief Medical Officer  
Lehigh Valley Health Network



**James W. Manley, DO**

Chair  
LVPHO/Valley Preferred

Chair  
Greater Lehigh Valley  
Independent Practice  
Association, Inc.

Primary Care Provider  
Lehigh Valley Family Practice  
Associates

## Champions of Primary Care

"Being independent thinkers by nature, it's not always easy to get two physicians to agree on anything. Yet our organization has created a model that successfully engages more than 1,000 physicians in working together toward a singular set of quality improvement goals."

"We have always championed the role of the PCP. While the many benefits of membership are now extended to specialists as well, a great deal of our focus extends to PCPs. I've been in family practice for 29 years and, as any PCP knows, the best medical decisions don't always come from a computer checkbox. Our leaders and member colleagues respect this. All programs are designed by our own member physicians with practical insights for time-efficient reporting and keeping the 'art' in the medical arts."

"As members of the LVPHO and the GLVIPA, we have a voice in how we create our own pathways to improve the quality of the health care we provide. Thanks to our many successes, that voice is being heard by government and commercial payers."



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Populytics is the population health management and analytics engine facilitating health care's transition. Timely claims and clinical data are collected, aggregated and transformed into the actionable information providers require to improve patient care quality and value.

"We provide the information and many of the resources required to ensure that physicians are getting their patients the preventive services, tests, follow-up care and education they need, while avoiding duplicate care or unnecessary procedures," said Gregory G. Kile, Populytics' President and CEO, and Senior Vice President, Insurance and Payer Strategies for Lehigh Valley Health Network.

Predictive analytics enable Populytics to inform physicians of proactive care measures which can help patients avoid more complex advanced conditions and their accompanying treatment costs. "We can predict with great accuracy what kind of care individual patients may need within the next six months," Kile said. "This is the level of information we are now sharing with physicians, empowering them to keep patients healthier while meeting the requisites for successful value-based care."

#### Gregory G. Kile

President and CEO  
Populytics, Inc.

Senior Vice President  
Insurance and Payer Strategies  
Lehigh Valley Health Network

Vice Chair  
LVPHO/Valley Preferred





## LVPHO/Valley Preferred Associate Medical Directors

The essence of LVPHO's priority on physician-to-physician communication and counsel, six Associate Medical Directors connect member physicians with LVPHO's resources, information and opportunities for practice success.

### ▶ Joseph A. Habig II, MD ▶

Medical Director  
LVPHO/Valley Preferred  
Primary Care Provider  
Medical Associates of the  
Lehigh Valley



### ◀ Jonathan J. Burke, DO, CHCQM

Associate Medical Director  
LVPHO/Valley Preferred  
Medical Director, Populytics



### ▶ Glenn S. Kratzer, MD ▶

Associate Medical Director  
LVPHO/Valley Preferred  
General Internal Medicine  
Lehigh Valley Internists



### ◀ Mark J. Lobitz, DO, CMD

Associate Medical Director  
LVPHO/Valley Preferred  
Primary Care Physician  
Hazleton Family Practice



### ▶ John D. Nuschke Jr, MD, FACP ▶

Associate Medical Director  
LVPHO/Valley Preferred  
General Internal Medicine  
Lehigh Valley Internists



### ◀ MaryAnne K. Peifer, MD, MSIS

Associate Medical Director  
Clinical Informatics  
LVPHO/Valley Preferred  
Primary Care Provider  
LVPG Family Medicine



### ▶ Nicole R. Sully, DO ▶

Associate Medical Director of Quality  
LVPHO/Valley Preferred  
Family Medicine  
Parkland Family Health Center



## LVPHO's Core Value: Making Life Easier for Physicians

"We are here to make practicing medicine easier for member physicians," emphasized Laura J. Mertz, CBC, General Manager of LVPHO/Valley Preferred. "That has always been our core value and it's more vital than ever as, together, we all proceed through this transformation to value-based care. Every LVPHO team and technological tool is here to *simplify*, *educate* and *provide the body of knowledge* that our physicians need to succeed."



### Laura J. Mertz, CBC

General Manager  
LVPHO/Valley Preferred  
Co-Chair  
Provider Communications  
Committee

Photo by Amico Studios

Easy access to these integrated resources will be significantly enhanced now that the Secure Provider Portal (SPP) is available ([www.lvpho.com](http://www.lvpho.com)). Developed by the Populytics Analytics team, the SPP provides access to a comprehensive suite of quality improvement information on the programs and ongoing performance of LVPHO members and practices. Current features and those slated for the future include:

- All ACE incentive plan documents and performance results for physicians, practices and peers. Results are drillable to individual providers in each practice.
- Facts on all of the 18 metrics used to gauge ACE performance and incentives.
- Dropped HCC codes.
- Care gap closure program reports.
- Physician self-audits in digitized format.
- Access to CG CAHPS patient satisfaction surveys.

INTEGRATED  
RESOURCES  
continued >>

With the achievement of "better cost" as an essential tenet of the Triple Aim, the new portal displays cost-effectiveness ratings for all LVPHO members and practices. "These rank all providers and practices based on points earned for meeting current standards of cost/value performance," Mertz said.

"Practicing medicine today can be challenging," she continued. "We've bolstered the information resources for our members to engage in more opportunities for improvements and rewards. Our purpose is to streamline managerial tasks, create more time for patient care and ensure appropriate compensation in the process."



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>> continued from page 8

## Community Care Teams

Community Care Teams (CCTs) are multidisciplinary support teams assisting LVPHO physician practices. They engage high-risk patients in clinical relationships to ensure that the patients receive the appropriate treatments they need at every juncture of their total care experience.

“Today’s primary care practices are stretched thin on their own time and in-office resources,” explained Jenna Wolf, RN, BSN, Care Manager Payer Strategies, Population Health Services. “We ensure that patients who require the most care get what they need, when they need it.”

Equipped with data from multiple sources, CCTs identify the high-risk patients in each practice and map out potential care gaps they are likely to encounter. “Populytics’ information enables us to stratify patients by risk and utilization levels. Once we determine who can benefit most from our outreach efforts, we share this information with the patient’s primary care physician,” said Brian Abel, AS, BS, the CCT’s Pre-Engagement Specialist. Team members then communicate telephonically with patients on a regular basis to build the relationship and ensure action. “Patients respond well because they know we are working for a physician who cares about their personal health and well-being. We are an extension of that trust,” added Wolf.

Sixty CCT units, each influencing as many as 1,000 patients, are deployed throughout LVPHO’s member network of independent and employed physician practices. Four times a year, CCTs share attribution reports with physicians and insurance payers. These graphically depict each practice’s high-risk and high-utilization patients, gaps in care, where CCTs have helped close gaps and a measure of outcomes. Engaging CCTs to close care gaps for high-risk patient populations is one of the quality improvement measures of the ACE physician incentive program.



**Jenna Wolf, RN, BSN (left)**

Care Manager Payer Strategies  
Population Health Services  
Lehigh Valley Health Network

**Brian Abel, AS, BS**

Community Care Team –  
Pre-Engagement Specialist  
Lehigh Valley Health Network





**Nicole R. Sully, DO**

Associate Medical Director of Quality  
LVPHO/Valley Preferred  
Family Medicine  
Parkland Family Health Center



Now in its 17th year, the *Achieving Clinical Excellence*® physician incentive program continues to keep LVPHO/Valley Preferred physicians on track with the standards and opportunities presented by the shift to value-based care.

Between Medicare, accountable care arrangements and payer relationships, it's not uncommon for physicians to be faced with more than 200 quality outcome measures in their daily work. The goal of the ACE program is to streamline these guidelines into a singular road map of impactful measures. As member physicians achieve them, they earn points, which equate to financial incentives.

"We use technology tools to identify where practice goals are on track, and where improvement is needed," said Nicole R. Sully, DO, Associate Medical Director of Quality, LVPHO/Valley Preferred. "We have been able to reduce measurement disparities between payers and networks, so we're all talking the same language now with just 18 overall metrics." She added that ACE metrics are now aligned with more major payers, including Medicare, Cigna, Aetna, Capital Blue Cross, Highmark, the LVHN Health Plan, and more on the horizon.

Yet nothing is as consistent as change in today's health care and ACE continues to evolve just as it has throughout its history. "Nimbleness is the key to the relevance and effectiveness of ACE. We are constantly monitoring the metrics and improvement targets. The world is changing and ACE will continue to change with it for the benefit of our physicians, practices and their patients," said Dr. Sully.

## Connecting Physicians with Rewards of Performance

Keeping physician members connected with the programs rewarding improved patient care is a core responsibility for Physician Liaisons, **Wayne T. Stephens** and **Joseph A. Candio, Jr., CBC** (shown below, from left). "The LVPHO is always evolving new ways to reward members for improved care and streamlining the processes to earn them. Our job is to keep members up to speed on the latest ways that ACE will reward them for their time and performance," Stephens said.

The duo travels extensively to practices located throughout the LVPHO's geographic footprint, always accompanied by an Associate Medical Director. "This organization is focused on physicians and is built on clinically integrated efforts to ensure high-quality patient care and positive outcomes at an affordable cost," explained Candio. "Our purpose is to serve as every practice's direct connection to LVPHO leadership, and to keep each physician member's ACE participation as manageable as possible."





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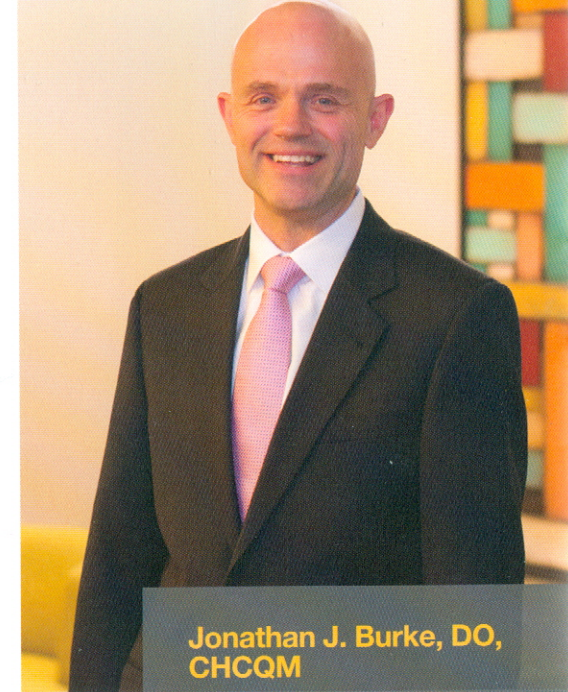
*An initiative of the ABIM Foundation*

## Connecting Physicians to the Cost of Care

The “cost piece” of health care eluded most physicians in medical school. “We were simply never taught about the financial factors of patient care,” said Jonathan J. Burke, DO, CHCQM, Medical Director of Populytics and Associate Medical Director, LVPHO/Valley Preferred. “As natural people pleasers, clinicians may find saying yes to patient requests easier than appearing to not support them, even if the request is not of the highest clinical value. Many patients feel more care means better care. This has contributed significantly to high utilization costs while adding little to the overall quality of patient care.”

But now that sophisticated analytics engines like Populytics are issuing highly accurate and timely data about cost/value ratios, that is changing. “Best practice evidence is getting more dense every day. As our ACE program matures, we are precisely measuring the impact of cost on quality of care,” said Dr. Burke. “We now pinpoint low-value utilization and educate our physicians to be better stewards of cost as well as care. And our results show it is making our care delivery system more cost-efficient while increasing the quality of patient outcomes.”

So, are future physicians now being educated about the financial cost of care in medical schools? “Absolutely,” Dr. Burke responded. “The cost factor is essential to medical practice today. In medicine, we are trained to do what is right. Cost-to-value is another dimension of what is right in the overall picture of providing the best care for patients.”



**Jonathan J. Burke, DO,  
CHCQM**

Medical Director  
Populytics, Inc.

Associate Medical Director  
LVPHO/Valley Preferred

Reducing waste in the health care system and avoiding risks associated with unnecessary treatment are the goals of Choosing Wisely®, a transformative nationwide campaign by the American Board of Internal Medicine (ABIM) Foundation. It calls upon over 70 medical specialty societies to identify tests or procedures commonly used in their fields whose necessity should be questioned or discussed with patients. More than 400 recommendations of overused tests and treatments have been recommended.

LVPHO/Valley Preferred embraces Choosing Wisely as a valuable tool to improve patient care and value. Eleven online education modules, including videos produced by LVHN, are accessible to all LVPHO member physicians. By completing the modules, members can earn American Medical Association's Physician Recognition Award Category Credit and may qualify for Patient Safety/Risk Management Continuing Medical Education credits. Appropriate application of Choosing Wisely recommendations in the practice setting may also earn incentives through our ACE quality improvement program.



## LVHN ACO Performance In the Medicare Shared Savings Program



**The Only ACO**  
in Pennsylvania to have  
**Achieved Savings**  
in 2015



Source: Data, CMS.gov

## Population Health Management: Demonstrated Results

### 2015 LVHN ACO Performance CMS Beneficiary Population

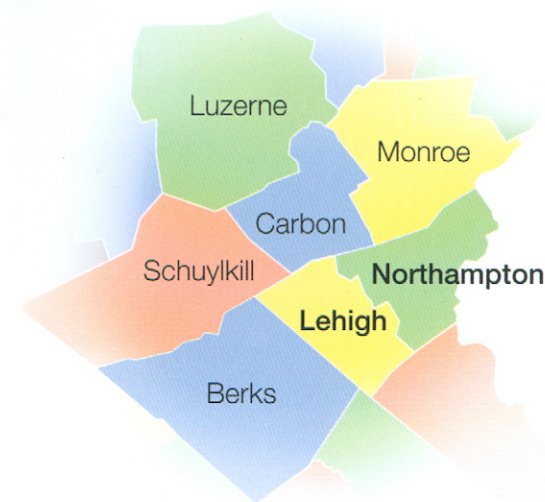
End-Stage Renal Disease .....	-27%
In-Patient Expenditures .....	-8.1%
Skilled Nursing Facilities .....	-21.2%
30-Day Readmissions (All Causes) .....	-8.4%
ACO Growth in Attributed Beneficiaries ...	+10%

OVERALL 12-Month Performance SAVINGS:

**\$11.2 million**

### 2015 LVHN Health Plan Performance Beneficiary Population

Emergency Dept. Utilization .....	-5%
Minor Acute (Avoidable) Emergency Dept. Visits .....	-15%
Inpatient Utilization .....	-8%
Advanced Imaging .....	-4%
Physical Therapy:	
PT Utilization .....	-10%
PT Reduced Outmigration .....	-70%
PT Overall Costs .....	-40%



## Bringing the Benefits of Membership to More Physicians in Eastern Pennsylvania

The benefits of LVPHO membership are now being shared with more independent physicians as our working partner, Lehigh Valley Health Network, completes acquisitions of several neighboring health networks in eastern Pennsylvania.

"It's a timely opportunity to integrate with like-minded physicians from different communities," said Mark J. Lobitz, DO, CMD, President, Medical Staff at Lehigh Valley Hospital-Hazleton, who now also serves as an Associate Medical Director for LVPHO/Valley Preferred.

"We have excellent resources to help independent physicians and their practices deal with all the expected and unexpected issues facing providers today. LVPHO membership means getting answers, especially on difficult practice issues and the myriad of different reimbursement mandates. Our home communities may be different, but our challenges are all the same."



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Lehigh Valley Flex Blue

### Lehigh Valley Flex Blue:

New Health Insurance Benefit Design\*.

New Levels of Shared Data and Value.

A significant milestone was reached in 2016 with the introduction of an exciting new collaboration with Highmark Blue Shield. This includes a new health insurance benefit design from Highmark, Lehigh Valley Flex Blue, that will enable LVHN and other aligned providers to better manage the care members and patients receive, with the objective of improving outcomes and lowering future health care costs.

Highmark members in the Lehigh Valley Flex Blue product will benefit from a greater coordination of care between the health insurer and LVHN. Enhanced value, such as lower out-of-pocket costs, results from accessing doctors or facilities that are part of LVHN and other aligned providers.

“Our collaboration with Highmark ensures that patients get the health care services they need in the most efficient manner,” says Gregory G. Kile, senior vice president of Insurance and Payer Strategies, LVHN and president and CEO, Populytics, Inc. “This aligns with our goal to improve the overall health of the community and patients’ care experience; all while lowering the care cost trend.”

Lehigh Valley Flex Blue also appeals to employers who are concerned with the cost of providing health insurance coverage to their employees, and ensuring that employees have access to local hospitals and doctors that are consistently recognized for quality care.

The inaugural enrollment cycle for Lehigh Valley Flex Blue began on January 1, 2017.

*\* Insurance and/or benefit administration may be offered/provided by Highmark, Highmark Health Insurance Company, Highmark Benefits Group, First Priority Health or First Priority Life Insurance Company, all of which are independent licensees of the Blue Cross Blue Shield Association.*

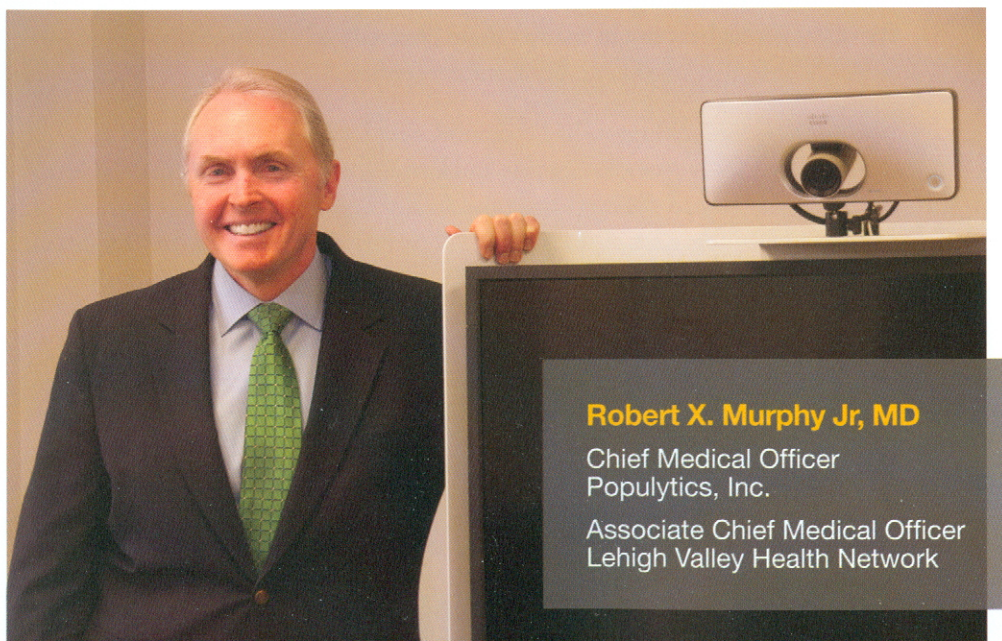


## The Beauty of Collaboration: Educating Aligned Physicians on the Opportunities Offered by New Relationships

A self-described “foot soldier” in health care’s transition, Robert X. Murphy, Jr., MD, Chief Medical Officer, Populytics, holds responsibilities for developing and implementing strategies to engage physicians. His particular focus is those aligned with two large organizations, the Lehigh Valley Physicians Group (LVPG) and Medical Associates of the Lehigh Valley (MATLV). Physician membership in these two groups tops 750.

“We are helping them to understand their practices and patients in different ways,” said Dr. Murphy. “Contractual relationships are where the medical world is going and we are educating physicians on the opportunities for providing the best care they can. If care is managed well with fewer complications, the savings are shared between CMS and the provider institution.”

This awareness regarding the fiscal realities of care is vital to the educational effort. “There’s no more ability to separate care and outcomes from financial reality,” he said. “In all relationships, the better the care you provide, the more there is to reinvest in the health of your community.”



Dr. Murphy has been instrumental in helping to develop strategic approaches to “begin the conversation” with LVPG, MATLV and other physician groups. He helps them understand how Populytics, ACE and other resources can enhance their practices’ patient care and ability to benefit in a contractual environment. He believes teamwork is key to success. “The excellent sense of cooperation among Information Services, Enterprise Analytics and Populytics has propelled progression within LVHN from aspirational to operational, enabling us to drive patients to optimum health on a day-to-day basis,” he said.

## Consumer Transparency, Optimized Care among Upsides of Provider/Payer Collaborations

“Providers and insurance companies working together signal unprecedented collaboration in our region,” said LVPHO/Valley Preferred Executive Director Mark A. Wendling, MD. “A new costing structure is saying ‘we challenge any other health service provider to deliver better care, service or value.’ As a network, we are accountable to deliver on that challenge.”

Given the population health analytics and clinical care infrastructure inherent at LVHN and Populytics, the network is uniquely positioned. “We are bringing capitalization to the health care market directly in front of the patient. This ensures more transparency on all aspects of care: the whole spectrum is now out there for consumer evaluation,” Dr. Wendling said, adding, “It’s in the consumer’s best interest to have as much information as possible on who is providing their care and to understand it.”

A unique characteristic of payer collaborations is the sharing of data and resources. Dr. Wendling sees this as a giant leap toward improved quality and cost-efficiency. “Previously, physicians have received standard payer reports that were sometimes outdated and widely variable in format,” he said. “Claims data from insurance providers comes through Populytics, integrates with our own EMR care data, and interfaces with our ACE platform. We can manage our population accordingly with our Community Care Teams, and at every juncture information is synchronized. This is true optimization of care.”



# EMPLOYERS' PERSPECTIVE:

“Potential for Real Change and Value.”

## Bob Johnston

Benefits Manager  
East Penn Manufacturing

Board Chair  
Lehigh Valley Business  
Coalition on Healthcare

Council Vice Chair  
Pennsylvania Health Care  
Cost Containment Council



Of all the stakeholders eager for a successful health care transition, few stand to benefit more than America's employers. Fifty-six percent of non-elderly residents in the U.S., roughly 150 million people, are covered through employer benefit plans. But the costs of employer-sponsored health care continue to rise. According to the Kaiser Family Foundation, in one five-year span, the cost to cover a single employee nearly tripled from \$2,196 to \$6,024. The year 2015 layered on another 4 percent growth in cost.

“Most employers want to provide comprehensive benefits for employees but we can't seem to get a handle on cost increases. The bottom line challenge is how can employers keep health plans affordable?” asks Bob Johnston, a career corporate benefits manager who also serves as board chair for the Lehigh Valley Business Coalition on Healthcare (LVBCH) and vice chair for the Pennsylvania Health Care Cost Containment Council, also known as PHC4.

“For years now, employers have tried multiple approaches to contain costs, including high-deductible plans, but these are not getting us any closer to true financial sustainability,” he said, adding that recent developments may contain cause for employer optimism. “Where I do see the potential for real change and value is in what is happening with the commercial ACO models.”

In traditional health plan designs employers have taken on all of the risk and shared it with their employees. But with the ACO model, providers

are willing to take on some level of risk and are paid for achieving quality outcomes and resultant lower costs on specific bundles of health care services. As Johnston explains, the risks are balanced with rewards for all participants.

“Employees are attributed to the partnering health system's affiliated PCPs with care closely tracked, analyzed and evaluated at all levels. Employees get clinically integrated care and more productive early intervention for high- and mid-risk conditions. Employers get healthier employee populations and lower costs. Providers get higher patient market share directed exclusively to their network of PCPs, specialists, hospitals and ancillary services.”

This ACO shared savings model requires a new level of collaborative commitment from providers, payers and employers. Executed properly, it holds the potential to bend the cost curve and finally start leveling out employee health plan costs. “It takes a lot of work,” said Johnston. “For years now this has proven to be a complex challenge and if there was an easy solution, it would have happened already. But the results so far are promising.”

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Choosing Wisely®, overviewed on page 11, is an excellent example of “collaborative commitment” to curb employers' health care costs. Choosing Wisely recommendations help physicians reduce overuse of tests and procedures, while supporting consumers in making more effective choices in their care.



On the consumer side, Choosing Wisely has allied with powerful media partner *Consumer Reports* to communicate ways for the public to get better value for each health care dollar. Locally, LVBCH has been helping to educate regional employers and their employees about the realities associated with overuse of medical tests and procedures. Along with outreach efforts to more than 183 member companies statewide, LVBCH provides access to Choosing Wisely factsheets, guides and videos via its website at [www.lvbch.org](http://www.lvbch.org).

On the physician side, Choosing Wisely has gained “lots of traction locally” according to LVBCH President Thomas J. Croyle. “The LVPHO has made some remarkable efforts in engaging its member physicians and practices with this program,” he said.

Multiple Choosing Wisely clinical topics are now presented in video education modules produced through a team effort of LVPHO and Lehigh Valley Health Network. Subjects include the overuse of diagnostic tests, including imaging studies; prescribing antibiotics and opioids; lower back pain treatments; and other topics. LVPHO member physicians are encouraged to engage in these educational opportunities through ACE incentives and continuing education credits.

“Thanks to the leadership of Drs. Wendling and Lenhart, the LVPHO has provided the means to educate a large number of local physicians on Choosing Wisely while helping to elevate the level of dialogue between providers and their patients, many of whom are covered by employer health plans,” Croyle said. “It’s one thing for an employer or insurance company to tell employees how to improve their health. But when it comes from their doctor, it takes on a completely different level of credibility.”



**Thomas J. Croyle**

President  
Lehigh Valley Business  
Coalition on Healthcare

**Dominic Lorusso**

Director of Health  
Partnerships  
Consumer Reports



**Choosing Wisely®** was introduced to the local business community in August 2015 at an Employers Roundtable conducted by LVBCH. Dominic Lorusso, *Consumer Reports’* Director of Health Partnerships, presented at that introductory session. In 2016, he was invited to return to the Lehigh Valley by LVBCH’s Thomas Croyle for a look at local progress being made on Choosing Wisely, particularly the physician engagement and analytics tools implemented by LVPHO and Populytics.

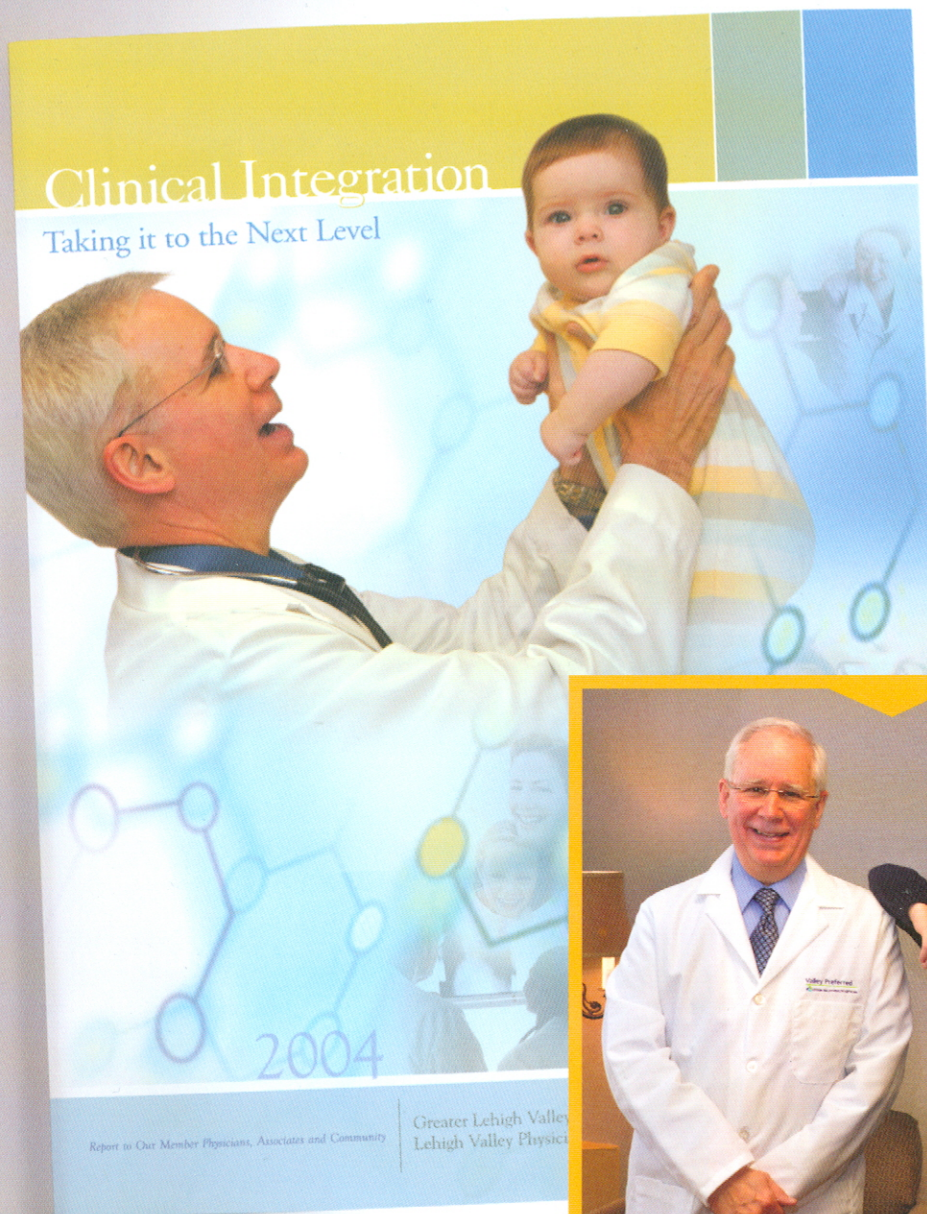
“What they did in one year was absolutely impressive,” said Lorusso, who has worked with employer and health provider groups throughout the U.S. since Choosing Wisely began in 2012. “The LVPHO’s education modules are an effective way to reach physicians. And, the degree to which the Lehigh Valley group is using analytics is something I have not yet seen elsewhere.”

Making the local accomplishments even more notable is the fact that Lehigh Valley Health Network is not one of the seven organizations in the U.S. receiving Choosing Wisely program development grants from ABIM Foundation, with financial support from the Robert Wood Johnson Foundation. “That makes the LVPHO physician education and engagement progress that much more important. Tom Croyle invited me to see it for myself and I am so glad I went to the Lehigh Valley. It is a very impressive effort,” said Lorusso.



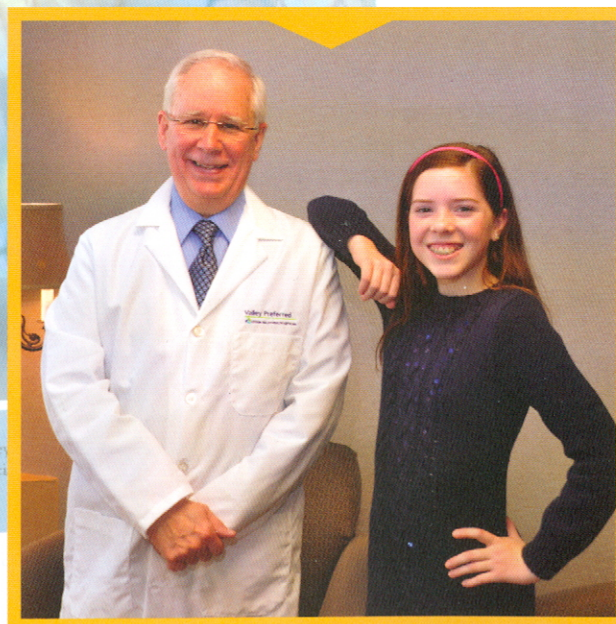
# LOOKING BACK, MOVING AHEAD:

New Leadership and  
a Time-Honored Mission



## GROWING UP TOGETHER:

A career family physician, Dr. Lenhart served as LVPHO/Valley Preferred Medical Director when he and baby Margaret "Maggie" Tighe Michalak of Allentown appeared on the cover of the 2004 *Progress Update*. The two were reunited for this photo (inset) on November 28, 2016. Twelve years had passed but the smiles, and the role of the family physician in our community's health, remain timeless.



When the Lehigh Valley Physician Hospital Organization, Inc. began in 1993, family physician Jack A. Lenhart, MD, was among the founders. His invaluable contributions and leadership continued through 20+ years as LVPHO Medical Director and, since 2010, Executive Director.

Dr. Lenhart's retirement, noted on page 2, opens the door for a renewed commitment to his mission, under the leadership of incoming Executive Director Mark Wendling, MD.

A healer of people by choice, Dr. Lenhart became a healer of our local health care delivery system by necessity. While he has prepared us well to face all future challenges, his insightful leadership and quiet tenacity will be missed. We are thankful to Dr. Lenhart for his dedication to improving the future of regional health care on behalf of his colleague physicians, their patients and our community.

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**Q** You were one of the original founders of the LVPHO. What was your motivation?

**A** I had been in family practice for 14 years and I felt that we weren't doing as good a job as we could in medicine. It was all reactive care at the hospital or



doctor's office. There was an acute care mentality and overemphasis on specialty care. Too little attention was paid to proactive prevention and keeping people healthy. I believed medicine needed to refocus on the importance of primary care and the long-term health of the entire community. A handful of my colleagues felt the same way. We explored ways to join together and make a positive difference in the direction local health care was going.

**Q Where did the “Hospital” part of that founding effort fit in?**

**A** As a small group of independent physicians, we knew we couldn't do it alone. To fix this, we needed to enjoin hospitals and other stakeholders in this vision to improve community health. The leaders at Lehigh Valley Health Network knew that a greater focus on community health was important. For us, an alliance with LVHN meant credibility and resources to make positive changes. In 1993, we formed the Lehigh Valley Physician Hospital Organization, Inc., which is owned equally by two bodies: the member physicians of the Greater Lehigh Valley Independent Practice Association, Inc., and the Lehigh Valley Health Network.

**Q How has that partnership worked out?**

**A** Very well. Particularly during the past 10 years since the Affordable Care Act mandated the most sweeping changes in the history of American health care: the transition from volume-based to value-based models of care delivery. It's proven to be a huge challenge. Thanks to the provider partnership of the LVPHO and LVHN, we are ahead of the curve and ready to take on any new challenges ahead.

**Q How has this partnership enabled success during this transition to value-based care?**

**A** For decades, health care costs were spiraling up and up. It was an unsustainable trajectory. But we did know that 20 percent of the population accounted for 80 percent of total care costs. Our physician leadership knew that to bend this cost curve we needed to identify those patients with the highest health risks and get to them earlier, keeping them healthier with less costly care. This required a strategic commitment to population health management, a data-driven model that pinpoints high-risk patients and gets them needed care before their conditions become more complex. Together, the LVPHO and LVHN committed to this population health strategy several years ago.

**Q What are reasons for the success of your commitment to population health management?**

**A** There are many but let's look at two fundamental reasons:

*First*, we built a powerful and effective population health infrastructure with Populytics through joint investments by both LVPHO and LVHN. We now have this amazing tool that combines clinical and claims data into a map that measures patient care quality, cost efficiency and physician performance. It also tells us where the high-risk patients are and precisely what care they need.

*Second*, another collaborative effort created multiple Community Care Teams, multi-disciplined caregivers equipped with information to make sure these patients get the right care at the right time. Working together, our technology, clinical teams and member physicians are dedicated to the promise of better care at better cost, the keys to success in value-based care.

**Q What's the biggest challenge for the next generation of LVPHO leadership?**

**A** Hmm, (*laughing*) do I get just one? In truth, I am concerned about keeping physicians enthused about the life work of healing people. As medicine becomes more technology-driven, we risk the gradual loss of 'practice joy,' the professional fulfillment that has always been at the core of this calling.

To sustain our success, I believe we need to be almost militant about keeping physicians in control of patient care. Also to continue to streamline measurement and EMR input, and simply create more time for healing people. We also have to expand our knowledge on keeping physicians engaged and energized about practicing medicine in a value-based environment.

**Q With all the changes in health care, what has remained unchanged for the LVPHO?**

**A** Our purpose has always been to assist our member physicians and their practices in any way possible to succeed through times of change. And that purpose has remained constant.

This current period has made everyone step up their game, including the LVPHO. But with our physician leadership, trusted allies like Lehigh Valley Health Network, and by innovating opportunities for physician growth — like our ACE programs — I am confident that LVPHO will continue to guide our members, partners and community toward consistently improved health care and value well into the future.



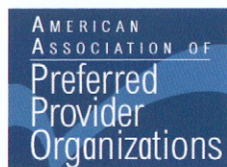


## Valley Preferred



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